

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

June 18, 2007

Chief Investment Officer's

Consolidated Investment Activity Report

(April 2007 Reporting Period)

Market Environment – April 30, 2007

General Market Commentary

April was a profitable month for markets around the globe. The US economy continued to show signs of slowing, particularly in the housing market. The U.S. dollar continues to fluctuate relative the British Pound and the Euro, reaching notable levels as of late. Oil prices fell slightly during April after considerable intra-month volatility.

Domestic and International Equities

Equity markets, (domestic and international), experienced strong runs in April. Developed international markets returned 4.53% (MSCI EAFE), while the emerging market economies returned 4.64% (MSCI EM). Within the domestic equity markets, the S&P 500 returned 4.43%. Small-cap stocks, as measured by the Russell 2000 Index, returned 1.80% in April. Growth stocks were in favor over their value counterparts during the month and during the first four months of the calendar year.

Domestic and International Fixed Income

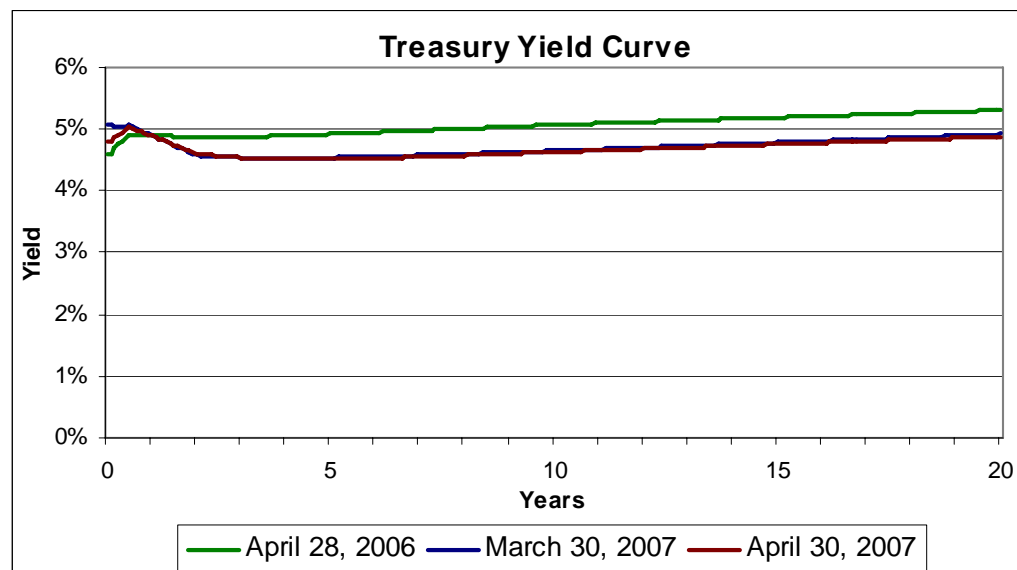
Bond markets returned modest gains during the month of April. The yield curve remained relatively flat, but the shape of the curve began to show an incline in longer maturities. The Lehman Brothers Aggregate Bond Index posted 0.54% return during April. 90-day Treasury Bills rose 0.44%. US TIPS returned 0.71% (LB US TIPS). The high yield market returned 1.32% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned 1.25%, as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate

Real estate, as measured by the MSCI US REIT Index, returned a negative 0.02% in April. The NCREIF Index of Real Estate Properties returned a positive 3.62% for the quarter ended March 2007.

Private Equity and Absolute Return Strategies

The Venture Economics All Private Equity Index returned 16.5% for the 12 months ended September 2006 and 11.20% for 10 years ended September 2006. Absolute Return Strategies (CSFB/Tremont Hedge Fund Index) returned 2.02% in April and 11.36% for 12 months ended April 2007.



MARKET INDICATORS	4/28/2006	Direction	3/30/2007	Direction	4/30/2007
1m LIBOR (fixed in \$)	5.04%	▲	5.32%	—	5.32%
Federal Funds	4.75%	▲	5.25%	—	5.25%
10Y Treasury Note Yield	5.07%	▼	4.65%	▼	4.63%
30Y Treasury Bond Yield	5.17%	▼	4.85%	▼	4.82%
DJ-Wilshire 5000 Comp	13,252.50	▲	14,354.03	▲	14,914.86
S&P 500	1,310.61	▲	1,420.86	▲	1,482.37
NASDAQ Composite	2,322.57	▲	2,421.64	▲	2,525.09
FTSE 100 Index	6,023.10	▲	6,308.00	▲	6,449.20
Nikkei 225 Index	16,906.23	▲	17,287.65	▲	17,400.41
Yen/\$ (Dollar Strength)	113.790	▲	117.560	▲	119.440
Euro/\$ (Dollar Strength)	0.792	▼	0.748	▲	0.749
GBP/\$ (Dollar Strength)	0.549	▼	0.508	▼	0.500
Crude Oil per Barrel	\$ 71.88	▼	\$ 65.87	▼	\$ 65.71
Gold (\$/oz Daily Spot)	\$ 644.00	▲	\$ 661.75	▲	\$ 667.00
GS Commodities Index	\$ 474.79	▼	\$ 468.11	▲	\$ 474.46

CalPERS Asset Allocation – April 30, 2007

Summary

- Total Fund Market Value was \$243.9 Billion
- Total Fund Book Value was \$186.1 Billion
- All Asset Classes are within their permissible ranges relative to target ranges and strategic target levels.

Book to Market Value Comparison

	Book Value (\$ Billion)	Market Value (\$ Billion)	Effective Market Value (\$ Billion)	Difference (\$ Billion)
Cash Equivalents	\$2.3	\$2.3	\$0.9	\$0.0
Domestic Fixed Income	\$49.1	\$50.3	\$50.3	\$1.2
International Fixed Income	\$6.7	\$6.9	\$6.9	\$0.2
Global Fixed Income	\$55.8	\$57.2	\$57.2	\$1.4
AIM	\$16.0	\$14.8	\$14.8	-\$1.2
Domestic Equity ¹	\$53.9	\$95.6	\$96.6	\$41.8
International Equity	\$42.2	\$54.3	\$54.8	\$12.2
Global Equity	\$112.1	\$164.8	\$166.3	\$52.8
Real Estate	\$15.9	\$19.5	\$19.5	\$3.6
Total Fund	\$186.1	\$243.9	\$243.9	\$57.8

¹ Included is MDP Investment - LM Capital Investment: Total Book Value=\$193.2 million, Total Market Value=\$193.6 million.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 4/30/2007

Company Name	Equity Exposure				Total Equity Market Value	Fixed Income Exposure			Total FI Market Value	Real Estate	TOTAL Market Value	% of Total Fund(3)
	Internally Managed		Externally Managed			Internal	External	Sec. Lending(2)		Exposure (1)		
	Active	Passive	Active	Passive						Exposure (1)		
GENERAL ELECTRIC	204,224,710	1,371,324,696	299,942,094		1,875,491,500	60,750,042	37,889,453	991,982,282	1,090,621,777		2,966,113,277	0.81%
EXXON MOBIL CORP	273,399,643	1,635,188,310	388,178,996		2,296,766,949				0		2,296,766,949	0.94%
BANK OF AMERICA CORP	89,103,860	829,215,463	218,288,620		1,136,607,943	43,268,227	9,871,749	564,788,000	617,927,976		1,754,535,919	0.49%
AT&T INC	61,091,061	860,584,138	214,395,428		1,136,070,627	332,535,977	17,575,611		350,111,588		1,486,182,215	0.61%
MICROSOFT CORP	180,340,207	1,062,813,114	242,855,795		1,486,009,116				0		1,486,009,116	0.61%
CITIGROUP INC	56,614,463	963,358,368	252,383,710		1,272,356,541	83,364,513	16,020,917		99,385,430		1,371,741,971	0.56%
BERKSHIRE HATHAWAY	207,724,240	602,456,400	5,460,000		815,640,640	234,503,511		200,524,050	435,027,561		1,250,668,201	0.43%
WAL MART STORES INC	127,089,399	718,162,664	124,654,296		969,906,359	128,301,954			128,301,954		1,098,208,313	0.45%
JPMORGAN CHASE & CO	91,368,239	645,554,162	219,877,943		956,800,344	33,882,965	2,993,239	100,352,500	137,228,704		1,094,029,048	0.41%
PFIZER INC	101,904,684	692,738,676	215,789,926		1,010,433,286	16,913,111			16,913,111		1,027,346,397	0.42%
CHEVRONTXACO CORP	156,218,345	617,769,285	171,009,102		944,996,732	54,702,188			54,702,188		999,698,920	0.41%
AMERICAN INTL GROUP INC	82,537,284	650,652,370	145,703,136		878,892,790	9,408,295	9,161,613	100,044,000	118,613,908		997,506,698	0.37%
JOHNSON + JOHNSON	90,722,374	676,082,472	205,744,568		972,549,414	14,240,813			14,240,813		986,790,227	0.40%
PROCTER + GAMBLE CO	53,104,368	725,022,580	157,761,240		935,888,188	14,852,729			14,852,729		950,740,917	0.39%
INTERNATIONAL BUSINESS MACH	122,990,622	558,168,810	174,387,738		855,547,170	8,403,539	2,112,230		10,515,769		866,062,939	0.36%
VERIZON COMMUNICATIONS INC.	100,813,755	380,680,565	99,488,375		580,982,695	263,488,380			263,488,380		844,471,075	0.35%
CISCO SYSEMS INC.	65,553,672	587,159,594	172,855,890		825,569,156	15,209,833			15,209,833		840,778,989	0.34%
AMERICAN EXPRESS CO	144,124,983	276,175,907	26,498,836		446,799,726			370,669,700	370,669,700		817,469,426	0.18%
PRUDENTIAL FINL INC	274,806,500	172,415,500	336,417,122		783,639,122	14,834,500			14,834,500		798,473,622	0.33%
CONOCOPHILLIPS	42,269,033	414,620,071	88,589,909		545,479,013	243,600,990			243,600,990		789,080,003	0.32%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

CalPERS

Asset Allocation as of April 30, 2007

Total Fund Market Value: **\$243,871,917,061**

	Global Equity ¹	Domestic Equity	International Equity	AIM	Global Fixed	Domestic Fixed	International Fixed	Cash ^{2,5}	Real Estate	Total Fund
Strategic Target Range %	61-71%			3-9%	21-31%				4-12%	
Strategic Target %	66.0%	40.0%	20.0%	6.0%	26.0%	23.0%	3.0%	0.0%	8.0%	N/A
Cash Market Investment %	67.6%	39.2%	22.3%	6.1%	23.5%	20.6%	2.8%	0.9%	8.0%	N/A
Tactical Overlay %	0.6%	0.4%	0.2%					(0.6%)		N/A
Effective Investment %	68.2%	39.6%	22.5%	6.1%	23.5%	20.6%	2.8%	0.4%	8.0%	N/A
Variance % (Strategic vs. Effective)	2.2%	(0.4%)	2.5%	0.1%	(2.5%)	(2.4%)	(0.2%)	0.4%	(0.0%)	N/A
Strategic Target \$ ³	\$161.0	\$97.5	\$48.8	\$14.6	\$63.4	\$56.1	\$7.3	\$0	\$19.5	N/A
Cash Market Investment \$ ^{3,4}	\$164.8	\$95.6	\$54.3	\$14.8	\$57.2	\$50.3	\$6.9	\$2.3	\$19.5	N/A
Tactical Overlay \$ ³	\$1.4	\$0.9	\$0.5					(\$1.4)		N/A
Effective Investment \$ ^{3,4}	\$166.3	\$96.6	\$54.8	\$14.8	\$57.2	\$50.3	\$6.9	\$0.9	\$19.5	N/A
Variance \$(Strategic vs. Effective) ^{3,4}	\$5.3	(\$1.0)	\$6.0	\$0.2	(\$6.2)	(\$5.8)	(\$0.4)	\$0.9	(\$0.0)	N/A
% Passive	58.4%	71.6%	51.3%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	39.5%
% Active	41.6%	28.4%	48.7%	100.0%	100.0%	100.0%	100.0%	100.0%	92.9%	60.5%
% Internal	62.4%	77.0%	53.8%	0.0%	86.7%	98.6%	0.0%	100.0%	7.1%	64.1%
% External	37.6%	23.0%	46.2%	100.0%	13.3%	1.4%	100.0%	0.0%	92.9%	35.9%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

* When summing amounts on this report, there may be breakage.

* MDP Venture accounts included in MDP's primary asset class. MDP Fixed, CalPERS Hedge Fund, and Enhanced Index Equity roll to External Domestic Equity.

¹ Includes AIM

² Cash includes SMIF at STO.

³ (\$ Billion)

⁴ Based upon Trade Date Accounting as recommended by

⁵ Approximately \$1.4 Billion notional in Equity Futures were purchased to equitize cash.

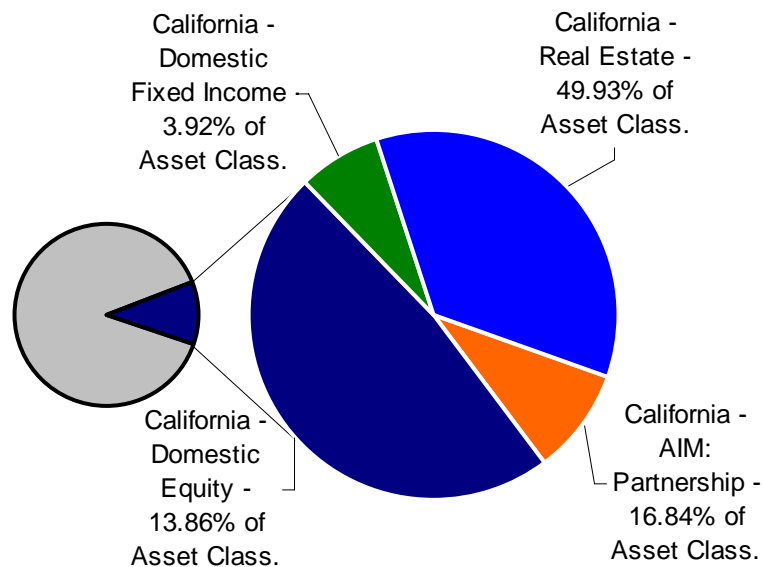
Private Market Commitment as of April 30, 2007							
AIM				Real Estate			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$14.85	6.1%	3-9%	Fair Market Value (FMV)	\$19.51	8.0%	4-12%
Unfunded Commitment	\$21.10	8.7%		Unfunded Commitment	\$14.47	5.9%	
Fair Market Value plus Unfunded Commitment	\$35.95	14.7%		Fair Market Value plus Unfunded Commitment	\$33.98	13.9%	

CalPERS Investments in the State of California – April 30, 2007

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

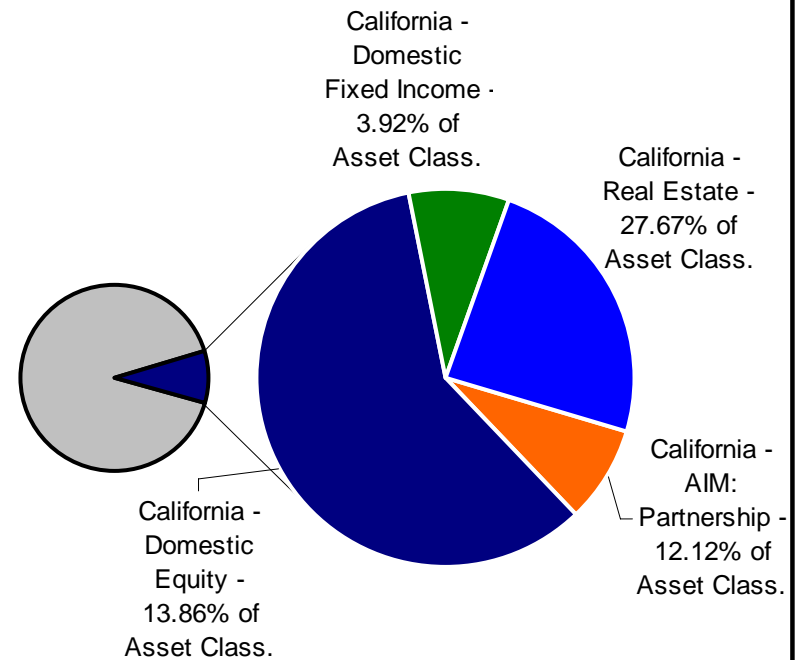
California Commitments (includes unfunded investments)

Current California Commitments at 4/30/2007 Total Fund %: 11.26%



California Investments

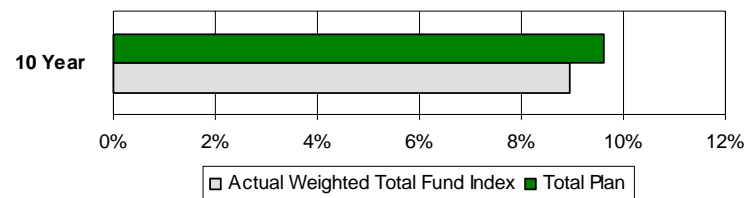
Current California Investments at 4/30/2007 Total Fund %: 9.20%



Performance Summary – April 30, 2007

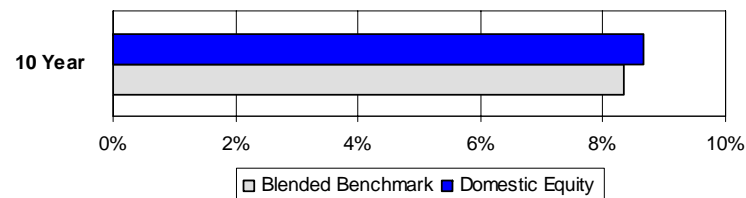
Total Plan:

Net Total Fund returns have exceeded the Actual Weighted Total Fund Index in all time periods shown. Ten-year net returns were 9.60% versus 8.96% for the actual weighted index.



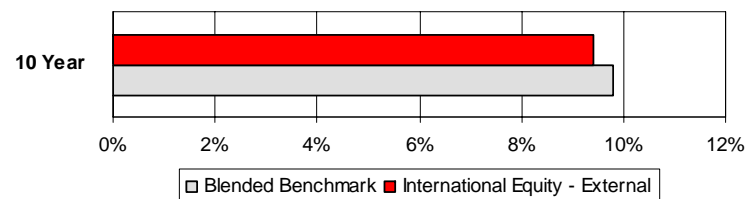
Domestic Equity:

Net Domestic Equity returns have met or exceeded the Blended Index in all time periods shown. Ten-year net returns were 8.66% versus 8.34% for the blended benchmark.



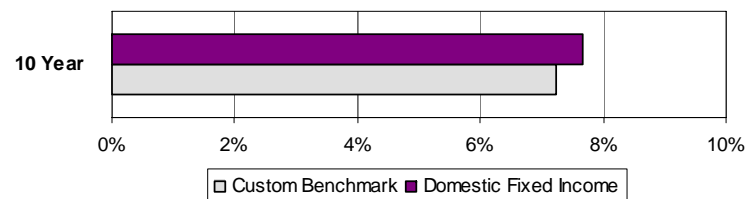
International Equity:

Net International Equity (External) returns including currency overlay underperformed the blended benchmark in the calendar year-to-date, one-year, five-year, ten-year, and since-inception time periods. It outperformed in the one-month, quarter, fiscal year-to-date, and three-year time periods. Ten-year net returns were 9.73% (9.41% without currency overlay) versus the 9.78% blended benchmark return. The Internal portfolio has returned 27.37% since its 5/1/2005 inception, exceeding its benchmark of 26.99%.



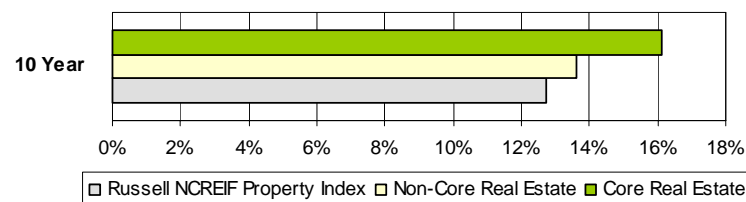
Domestic Fixed Income:

Net Domestic Fixed Income returns have exceeded the benchmark in all time periods shown. Ten-year net returns were 7.67% versus 7.22% for the benchmark.



Real Estate:

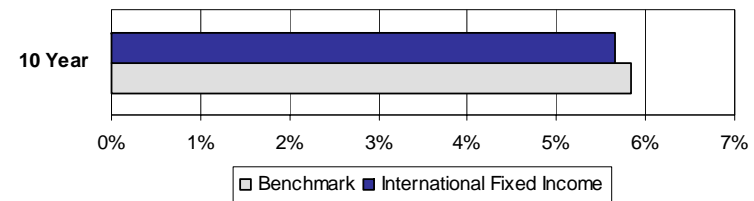
Net returns for the Core Real Estate Portfolio have exceeded the NCREIF Property benchmark in all time periods except for the quarter and calendar year-to-date. Non-core portfolio returns have exceeded the benchmark in all periods shown. Ten-year net returns were 16.14% for the Core Real Estate portfolio and 13.63% for Non-Core Real Estate versus 12.72% for the lagged benchmark.



Performance Summary – April 30, 2007

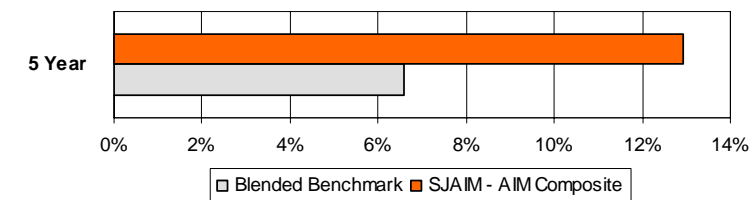
International Fixed Income:

Net International Fixed Income returns have underperformed during the fiscal-year, one-year, three-year and ten-year time periods, but have exceeded the benchmark during the month, quarter, calendar year-to-date, and five-year time periods. Ten-year net returns were 5.66% versus 5.84% for the benchmark.



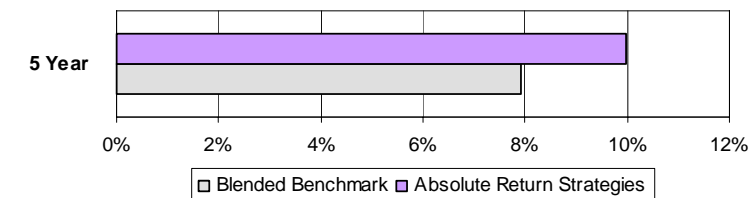
Alternative Investments:

Net returns for the Alternative Investments portfolio have exceeded the custom blended benchmark in all time periods shown. Five-year net returns are shown for the AIM Composite, which includes distributed stock (12.92% vs. 12.90%), exceeding the five-year custom blended benchmark return of 6.58%. Ten-year net returns for the AIM Partnership & Direct Composite were 14.19%, exceeding the ten-year custom blended benchmark return of 7.10%.



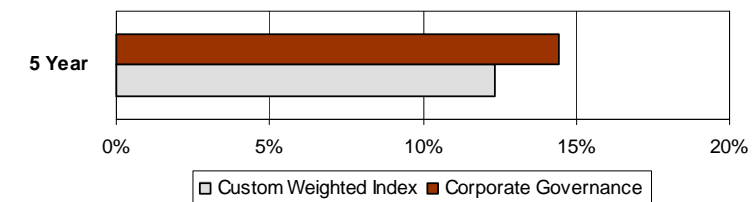
Absolute Return Strategies:

Net Absolute Return Strategies returns have exceeded the blended benchmark in all time periods shown. Five-year net returns were 9.96% versus 7.91% for the blended benchmark.



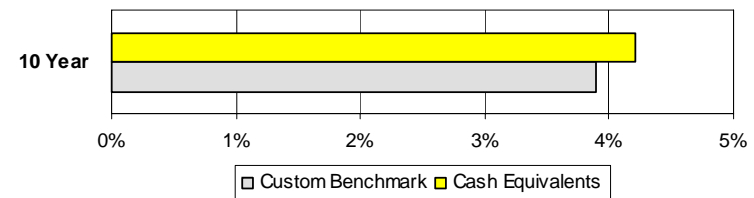
Corporate Governance:

Net returns for Corporate Governance Investments have exceeded the custom benchmark in all time periods shown. Five-year net returns were 14.44% versus 12.36% for the weighted index.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have met or exceeded the benchmark in all time periods except during the calendar year-to-date time period. Ten-year net returns were 4.21% versus 3.90% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
GROSS RATES OF RETURN
Period Ending April 31, 2007
Investment Committee Meeting June 2007

	MKT VAL (000'S)	One Month Apr 07	QTR Feb - Apr 07	FYTD 06-07	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	243,871,917	3.30	4.91	17.46	5.88	15.20	15.04	11.71	9.78
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		2.94	4.34	16.09	5.33	14.18	13.61	10.65	8.78
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		2.90	4.33	16.14	5.22	13.99	13.57	10.79	8.96
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	89,800,468	4.06	3.67	17.90	5.63	14.09	12.79	9.29	8.68
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		4.05	3.56	17.64	5.47	13.99	12.76	9.16	8.34
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	22,006,927	5.07	8.56	26.83	9.01	20.00	24.97	18.00	9.79
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	21,796,896	4.56	7.24	25.43	8.32	18.36	24.05	16.54	9.47
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		4.89	8.43	25.96	8.97	19.95	24.36	18.00	9.78
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	27,844,784	4.76	8.22	24.78	8.87	20.23			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAILY)		4.73	8.15	24.63	8.78	19.97			
SWCG - INTERNATIONAL EQUITY TRANSITION	14,625	-1.01	1.35	-3.92	-4.96	-2.41			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	4,942,462	1.45	3.15	13.77	5.01	11.26	11.33	10.42	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.74	2.48	8.66	3.29	10.10	8.60	7.91	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,160,326	3.72	5.08	20.44	6.60	15.95	17.47	15.01	
CPERSGC2 - CALPERS CORPORATE GOVERNANCE IC (DAILY)		3.44	3.75	16.77	5.21	11.97	16.01	12.36	
MDP DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	193,607	0.74	2.52	7.98	2.41	8.03	4.82	6.68	
X40D - CITIGROUP BIG (DAILY)		0.56	2.08	7.30	2.06	7.41	4.49	5.12	6.38
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOM FIXED	50,317,391	0.85	2.63	9.27	2.56	9.48	6.28	7.11	7.67
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		0.72	2.43	8.60	2.22	8.68	5.50	6.33	7.22
INTERNATIONAL									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	6,907,703	1.19	4.07	5.25	2.27	5.48	4.89	9.91	5.73
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		1.17	3.97	5.66	2.22	6.26	4.93	9.69	5.84
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	1,049,475	0.44	1.30	4.60	1.74	5.44	3.81	2.92	4.21
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.43	1.29	4.49	1.75	5.35	3.63	2.69	3.90
ALTERNATIVE INVESTMENTS									
SJAIM - AIM COMPOSITE	14,846,216	8.06	12.82	23.36	12.84	29.47	24.66	12.93	
SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS ¹	14,738,012	8.10	12.93	23.42	12.92	29.66	24.67	12.90	14.19
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (DAILY)		1.34	2.71	12.77	4.09	15.82	16.71	6.58	7.10
SW2V - AIM DISTRIBUTION STOCK	108,205	2.90	-0.60	16.55	2.73	11.31	16.71	15.92	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,344,159	0.00	2.43	16.20	2.57	23.77	32.29	22.06	18.23
SW7KA1 - TOTAL NON-CORE REAL ESTATE	9,156,158	0.17	6.54	21.31	7.69	26.45	33.77	25.08	17.15
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	4.51	12.52	4.51	16.59	17.02	13.27	12.72

⁽¹⁾ SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

Excludes MDP venture accounts in composites SW9C, SWDC.

This report prepared by State Street Bank

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
NET RATES OF RETURN
Period Ending April 30, 2007
Investment Committee Meeting June 2007

	MKT VAL (000'S)	One Month Apr 07	QTR Feb - Apr 07	FYTD 06-07	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	243,871,917	3.30	4.85	17.20	5.81	14.89	14.69	11.43	9.60
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		2.94	4.34	16.09	5.33	14.18	13.61	10.65	8.78
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		2.90	4.33	16.14	5.22	13.99	13.57	10.79	8.96
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	89,800,468	4.06	3.66	17.88	5.62	14.07	12.76	9.27	8.66
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		4.05	3.56	17.64	5.47	13.99	12.76	9.16	8.34
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	22,006,927	5.05	8.52	26.69	8.96	19.86	24.87	17.92	9.73
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	21,796,896	4.54	7.20	25.29	8.27	18.21	23.94	16.45	9.41
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		4.89	8.43	25.96	8.97	19.95	24.36	18.00	9.78
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	27,844,784	4.76	8.22	24.78	8.87	20.23			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO (DAILY)		4.73	8.15	24.63	8.78	19.97			
SWCG - INTERNATIONAL EQUITY TRANSITION	14,625	-1.01	1.35	-3.92	-4.96	-2.41			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	4,942,462	1.45	3.14	13.55	5.00	11.04	11.13	9.96	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.74	2.48	8.66	3.29	10.10	8.60	7.91	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,160,326	3.65	4.97	19.93	6.42	15.32	17.05	14.44	
CPERSGC2 - CALPERS CORPORATE GOVERNANCE IC (DAILY)		3.44	3.75	16.77	5.21	11.97	16.01	12.36	
MDP DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	193,607	0.74	2.48	7.86	2.37	7.87	4.66	6.49	
X40D - CITIGROUP BIG (DAILY)		0.56	2.08	7.30	2.06	7.41	4.49	5.12	6.38
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOM FIXED	50,317,391	0.85	2.63	9.26	2.56	9.47	6.27	7.10	7.67
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		0.72	2.43	8.60	2.22	8.68	5.50	6.33	7.22
INTERNATIONAL									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	6,907,703	1.19	4.04	5.20	2.25	5.42	4.82	9.83	5.66
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		1.17	3.97	5.66	2.22	6.26	4.93	9.69	5.84
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	1,049,475	0.44	1.30	4.60	1.74	5.44	3.81	2.92	4.21
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.43	1.29	4.49	1.75	5.35	3.63	2.69	3.90
ALTERNATIVE INVESTMENTS									
SJAIM - AIM COMPOSITE	14,846,216	8.06	12.82	23.35	12.83	29.46	24.64	12.92	
SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS ¹	14,738,012	8.10	12.93	23.42	12.92	29.66	24.67	12.90	14.19
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (DAILY)		1.34	2.71	12.77	4.09	15.82	16.71	6.58	7.10
SW2V - AIM DISTRIBUTION STOCK	108,205	2.60	-0.89	14.76	1.77	9.60	15.28	14.56	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,344,159	0.00	2.33	13.25	2.47	20.40	27.31	18.90	16.14
SW7KA1 - TOTAL NON-CORE REAL ESTATE	9,156,158	0.17	5.29	18.29	6.42	21.94	26.35	19.74	13.63
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	4.51	12.52	4.51	16.59	17.02	13.27	12.72

⁽¹⁾ SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank. Excludes MDP venture accounts in composites SW9C, SWDC.
Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

This report prepared by State Street Bank

Investment Operations Report

Closed Session Transactions

- There was one (1) closed session transaction reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

Activity Reports

- Staff prepares activity reports for the AIM, Absolute Return Strategies and Opportunistic Real Estate Programs. Detailed reports and investment summaries for the AIM and Risk Managed Absolute Return Strategies are included in the supplemental reporting document. Opportunistic Real Estate Investments will be reported below as they occur.

AIM Activity Report

Activity	Month	2004	2005	2006	2007	Since Inception
Investment Proposals Received	53	381	317	300	181	6,262
Declined/Referred/Failed to Materialize	66	223	429	260	151	5,004
Deals in Screening	47	397	319	300	181	3,276
Due Diligence Reviews	33	65	61	61	27	623

Risk Managed Absolute Return Strategies Program Activity Report

Activity	2004	2005	2006	2007	Since Inception
Information Received	59	59	69	33	659
Declined	12	7	1	0	243
Deals in Screening	45	58	68	33	404
Due Diligence Reviews	6	18	52	21	130
Approved by ARS Board	4	7	9	1	34
Funded Investments (\$ Millions)	\$149	\$783	\$1,809	\$714	\$4,034

Opportunistic Real Estate Investments Activity Report

Activity	Allocation Committed
No items to report	

Semi-Annual and Quarterly Report(s)

According to policy requirements, the following is summary information extracted from the quarterly reports prepared for Investment Committee consideration. Executive Summaries and Full Reports are available in the supplemental reporting document.

AIM Program Semi-Annual Report:

AIM Program Summary

Investment Category	<u>Commitments</u> <u>(\$mil)</u>¹	<u>IRR</u> <u>12/31/2006</u>²
Buyout	\$277.9	(16.0)
Co-Investments	531.0	1.2
Corporate Restructuring	16,279.4	18.3
Direct Investments	1,229.7	21.2
Distressed Securities	2,562.4	17.3
Expansion Capital	3,287.6	3.4
Investment Vehicles ³	4,644.7	4.8
Mezzanine Debt	643.5	1.5
Secondary Interests	1,212.3	18.4
Special Situations	973.1	6.1
Venture Capital	4,111.9	8.2
Unclassified	50.0	33.4
Total Commitments	\$35,803.5	13.3

- As of December 31, 2006 the AIM Program had total commitments of \$35.8 billion and active commitments of \$21.2 billion.
- As of December 31, 2006 the AIM Program has generated a net internal rate of return ("IRR") of 13.3%. The inception date was March 1990. As of December 2006, the ten-year rolling average return for the CalPERS Custom Wilshire 2500 Index plus 300 was 12.1%. The public markets performance has improved over the past couple of years, and the performance of the AIM program has improved and should continue to go higher as there is typically a lag in the valuations in the private market to those of the public market. In addition, the AIM program is still young and only has an average age of 3.9 years and therefore the majority of the portfolio is still in the early stage of its investment life. To address the young age of the AIM portfolio, CalPERS adopted a short-term benchmark. The benchmark measures performance of partnerships in the first five years of life against Venture Economics' universe data. As of December 31, 2006, the AIM Program's young funds produced an IRR of 25.0%, which ranks above the Custom Venture Economics Young Fund Universe median return of 3.8%⁴. Analysis of alternative private equity benchmarks indicates that the Custom Venture Economics Young Fund Universe is a more representative benchmark for the AIM Program, as it compares the Program's young funds to a similar universe.

¹ Includes all active and exited commitments (in \$ millions) as of December 31, 2006.

² IRRs are provided by State Street PrivateEdge. The inception date for the AIM program is March 1990, but investment categories may have different inception dates.

³ Investment vehicles include California Emerging Ventures, California Emerging Ventures II, California Emerging Ventures III, California Initiative, and Corporate Partners Program.

⁴ The Venture Economics young fund universe information is preliminary. Venture Economics releases preliminary information to Wilshire and CalPERS when its database is at least 65% populated.

Semi-Annual and Quarterly Report(s)

AIM Program Semi-Annual Report (cont.)

- The performance of the Program's younger funds is affected by the "J-curve." The "J-curve" references the typical pattern of investment returns exhibited by private investments. This occurs because managers' investments are carried at cost until there is a tangible basis for changing an investment's valuation. The significant outperformance of the CalPERS' AIM Program in the face of the J-curve phenomenon is a function of well-rewarded deal selection.
- The Program's partnership funds represent the single largest investment category in which the Program is invested. The buyout investments ranked very favorably versus the partnership universe provided by Venture Economics, outperforming the universe median during almost all vintage years. Through December 31, 2006 the partnership funds yielded a return close to 13.8%. The buyout funds are classified in the Corporate Restructuring and the Expansion Capital investment categories in Exhibit II. An annual as-of December detailed universe comparison is provided on Page 4 of this report.
- Venture capital showed a positive IRR of 8.2 as of December 31, 2006. As shown on page 5, the median IRR with the exception of 1998 and 2002 has performed well in comparison to the venture capital universe. An annual as-of December detailed universe comparison is provided on Page 5 of this report.

Semi-Annual and Quarterly Report(s)

Deferred Compensation Program Reports:

US Treasury Intermediate Term Fund:

	<u>12/98</u>	<u>12/99</u>	<u>12/00</u>	<u>12/01</u>	<u>12/02</u>	<u>12/03</u>	<u>12/04</u>	<u>12/05</u>	<u>12/06</u>	<u>03/07</u>
Market Value (\$ Millions)	56.9	48.4	48.9	53.3	58.1	55.6	20.7	21.3	24.0	24.9

PERFORMANCE* For Periods Ended March 31, 2007

	<u>Qtr.</u>	<u>1 Yr.</u>	<u>3 Yr. Annualized</u>	<u>5 Yr. Annualized</u>
U.S. Treasury Intermediate Term	1.57%	5.70%	2.39%	4.32%
<u>Benchmark:</u> CalPERS Custom Lehman 1-10	1.56%	5.63%	2.18%	4.05%

Comments: The first quarter of 2007 began with the yield on the U.S. Treasury 3 year Note at 4.74% and the 5 year Note at 4.70%. During the quarter, interest rates declined in short term Notes with maturities from 2 to 10 years. These changes occurred due to early economic indicators of a slowing economy which led to market expectations the Federal Reserve would lower rates. However, during the quarter the Federal Reserve maintained the Federal Funds Rate at 5.25%. The 3 year Note ended the quarter at 4.534% and the 5 year Note at 4.537%.

*Gross performance. Savings CalPERS 457 Program has asset management fees of .29% per year and an administration fee of .26% per year.

Semi-Annual and Quarterly Report(s)

Deferred Compensation Program Reports (cont.)

US Treasury Short Term Fund:

	<u>12/98</u>	<u>12/99</u>	<u>12/00</u>	<u>12/01</u>	<u>12/02</u>	<u>12/03</u>	<u>12/04</u>	<u>12/05</u>	<u>12/06</u>	<u>03/07</u>
Market Value (\$ millions)	49.5	50.5	53.8	56.3	52.6	48.1	23.1	25.3	29.6	31.0

PERFORMANCE*
For Periods Ended March 31, 2007

	<u>Qtr.</u>	<u>1 Yr.</u>	<u>3 Yr. Annualized</u>	<u>5 Yr. Annualized</u>
U.S. Treasury Short Term	1.32%	5.24%	3.46%	2.57%
<u>Benchmark:</u>				
PERS 1 Month T-Bill	1.19%	4.81%	3.21%	2.42%

Comments: During the first quarter of 2007, 1-month T-Bills traded in a range of 4.66% to 5.25%. 1-month T-Bills began the quarter at 4.72% and ended the quarter at 5.06%. The Bill's rate movement throughout most of the period was varied with the rate reaching a high of 5.25 on February 21 and then declining to 5.06% at quarter end. The rise is likely due to the markets early expectation the Federal Reserve would raise the Fed Funds rate to stem inflation pressures. Subsequently, the markets expectation changed due to a modestly slowing economy and contained inflationary pressures with a corresponding belief the Federal Reserve would maintain rates or possibly cut rates. During the quarter the FOMC maintained at 5.25%.

*Gross performance. CalPERS 457 Program has asset management fees of .29% per year and an administration fee of .26% per year.

Semi-Annual and Quarterly Report(s)

Deferred Compensation Program Reports (cont.)

S & P 500 Index Fund:

	<u>12/99</u>	<u>12/00</u>	<u>12/01</u>	<u>12/02</u>	<u>12/03</u>	<u>12/04</u>	<u>12/05</u>	<u>12/06</u>	<u>03/07</u>
Market Value (\$ millions)	887.1	831.6	744.3	581.7	821.1	932.2	955.9	1,074.3	1,070.0
PERFORMANCE*									
For Periods Ended March 31, 2007									
							3 Yr.	5 Yr.	
				<u>Qtr.</u>		<u>1 Yr.</u>	<u>Annualized</u>	<u>Annualized</u>	
S&P 500 Index Fund				0.65%		11.91%	10.08%	6.23%	
<u>Benchmark:</u>									
S&P 500 Index				0.64%		11.83%	10.06%	6.27%	

Comments: For the quarter, the portfolio returned 1 bps versus the S&P 500 index. The NAV returns for the quarter and one-year period were 0.65% and 11.97% versus the benchmark's 0.64% and 11.83% respectively. The S&P 500 Index Fund began in November 1991 with the Savings Plus Program and grew as the CalPERS 457 Program was added in February 1995.

*Gross performance. As of July 1, 1996 asset management fees for the Savings Plus Program were renegotiated to .056% per year. Prior to July 1, 1996 Savings Plus Program had asset management fees of .16% per year. CalPERS 457 Program has asset management fees of .09% per year and an administration fee of .26% per year. **Above returns are calculated using Internal Rate of Return (IRR).

Semi-Annual and Quarterly Report(s)

Securities Lending Earnings:

Earnings for the quarter ended March 31, 2007, are presented to the Investment Committee for information.

Asset Class	Average Lendable Assets (\$ 000)	Average % on Loan	Net Margin (Annualized)	Net Income to CalPERS (\$ 000)
Global Equities	\$122,839,424	21%	53 bp	\$33,331
Global Fixed Income	\$ 32,657,416	51%	24 bp	\$ 9,757
Total Program	\$155,496,840	27%	41 bp	\$43,088

Policy Violations:

Boston Global Advisors did not violate the policy during the first quarter of the calendar year.

Credit Suisse did not violate the policy during the first quarter of the calendar year.

eSecLending did not violate the policy during the first quarter of the calendar year.

Metropolitan West violated the policy during the first quarter of the calendar year. As a result of a decrease of loan balances, Metropolitan West exceeded the single counterparty balance limit for a period of five days.

State Street Bank did not violate the policy during the third quarter of the calendar year.

Results:

The securities lending program generated \$43.1 million of net income for the quarter ended March 31, 2007. The average market value of securities on loan for the quarter was \$41.9 billion.

Semi-Annual and Quarterly Report(s)

Supplemental Income Programs:

- CalPERS 457 Program - During the 1st quarter ending March 31, 2007, the CalPERS 457 Program experienced a \$29.1 million (4.8%) net increase in assets for a total of \$642.9 million. The number of participants grew by 699 (3.1%), to 23,292 and agency adoptions by 10 (1.71%), to 594.

The current asset value of the program as of April 30, 2007 is \$661.9 million, with 23,545 participants and 594 agencies.

- State Peace Officers' and Firefighters' Defined Contribution Plan (POFF) - The POFF Plan assets grew 4.9% from last quarter, to \$307.8 million. The number of participants increased by 236 (0.64%), for a total of 37,371.
- Supplemental Contributions Program (SCP) - The SCP assets decreased -0.4% from last quarter, to \$22.4 million. The number of participants decreased by 98 to 757, for a -11.5% decrease.
- Savings Plus Program - In the Savings Plus Program, the Large Cap Equity Index Fund (CalPERS S & P 500 Fund) totaled \$939.6 million in assets under management, representing a decrease of \$6.6 million (-0.7%) over the previous quarter.

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

Portfolio Summary and Transactions Report:

- Purchases – Internal Management (Page 21)
- Sales – Internal Management (Page 22)
- Currency Hedge Portfolio Summary (Page 23)
- Currency Hedge Portfolio Transactions (Page 23)

Investment Transaction Information: (full reporting is available in the supplemental reporting document)

- Fixed Income Transactions
 - Internal Domestic
 - External International and High Yield
 - Special Mortgage Investment Program Transactions
 - High Yield Performance
- Equity Summary & Transactions
 - Internal Domestic
 - Corporate Actions
 - External Domestic
 - External International
- Internal Programs
 - Real Estate Transactions Summary
 - Dispositions Summaries
 - No items to report
 - Acquisitions Summaries
 - Kennedy Associates – 217 Humboldt Court, CalPERS equity share \$7,902,720.00
 - Miller Capital/IMI – The Shops at Sunset Place, CalPERS equity share \$33,660,000.00
 - LaSalle/CalEast – NATM 6 Pioneer Drive, CalPERS equity share \$2,266,286.00
 - Centerline Urban Capital – Jefferson at City Gate, CalPERS equity share \$13,463,798.00
 - AIM Program Transactions
 - Summary Listing of Capital Calls and Aggregate Distributions
 - AIM Program Investments Completed under Delegation of Authority
 - Investment Summaries
 - Apollo Special Opportunities Managed Account, L.P., \$400 million commitment
 - Craton Equity Partners, L.P., \$40 million commitment
 - Silver Lake Partners III, L.P., \$400 million commitment
 - W Capital Partners II, L.P., \$150 million commitment

Investment Transactions

Investment Transaction Information (continued): [\(full reporting is available in the supplemental reporting document\)](#)

- Internally Managed Derivative Transactions Summary
 - Investment Summaries
 - Futures purchases: \$5,764.7 million notional
 - Futures sales: \$6,800.5 million notional
- Risk Managed Absolute Return Strategies Program Transactions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - 47 Degrees North New Generation 1848 Fund, L.P., \$100 million initial contribution

Portfolio Summary and Transactions

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

March 2007

PURCHASES

INTERNAL MANAGEMENT

	<u>PAR</u>	<u>COST</u>	<u>ANNUALIZED YIELD</u>	<u>PERCENT (%) OF LONG TERM PURCHASES</u>
<u>ALTERNATIVE INVESTMENTS:</u>				
Partnership Component	\$762.3	\$806.8	N/A	3.78%
<u>BONDS:</u>				
Utilities & Industrials	\$176.9	\$177.5	5.63%	0.83%
Sovereign	<u>67.0</u>	<u>66.6</u>	4.85%	<u>0.31%</u>
Total	243.9	\$244.1		1.14%
<u>GOVERNMENTS:</u>				
U.S. Agencies & Treasuries	\$1,419.0	\$1,444.0	4.86%	6.77%
<u>MORTGAGE SECURITIES:</u>				
Pass-Through	\$5,965.0	\$5,958.4	5.77%	27.92%
CMO	<u>1,468.9</u>	<u>598.5</u>	5.52%	<u>2.80%</u>
Total	\$7,433.9	\$6,556.9		30.72%
<u>EQUITIES:</u>				
Common Stock		\$3,765.4	N/A	17.64%
EXTERNAL MANAGEMENT				
<u>EQUITIES AND FIXED INCOME:</u>				
International Common Stock		\$1,772.1	N/A	8.30%
Domestic Common Stock		1,866.2	N/A	8.74%
International Fixed Income		<u>4,885.5</u>	N/A	<u>22.89%</u>
Total		\$8,523.8		39.94%
TOTAL PURCHASES:		\$21,341.0		100%

Portfolio Summary and Transactions

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

March 2007

SALES

INTERNAL MANAGEMENT

	<u>PAR</u>	<u>COST</u>	<u>PROCEEDS</u>	<u>GAIN/ LOSS</u>
<u>ALTERNATIVE INVESTMENTS:</u>				
Partnership Component	1.6	\$17.5	\$17.5	\$0.0
<u>BONDS:</u>				
Utilities & Industrials	149.3	\$155.1	\$156.1	\$1.0
Sovereign	<u>7.5</u>	<u>7.4</u>	<u>7.4</u>	<u>0.0</u>
Total	156.8	\$162.5	\$163.5	\$1.0
<u>GOVERNMENTS:</u>				
U.S. Agencies & Treasuries	686.0	\$695.3	\$697.6	\$2.3
<u>MORTGAGE SECURITIES:</u>				
Pass-Through	5,655.0	\$5,641.1	\$5,647.9	6.8
CMO	<u>110.0</u>	<u>\$112.9</u>	<u>113.5</u>	<u>0.6</u>
Total	5,765.0	\$5,754.0	\$5,761.4	\$7.4
<u>EQUITIES:</u>				
Common Stock		\$2,927.6	\$3,448.4	\$520.8
EXTERNAL MANAGEMENT				
<u>EQUITIES AND FIXED INCOME:</u>				
International Common Stock		\$1,636.6	\$1,929.7	\$293.1
Domestic Common Stock		1,610.4	1,684.8	\$74.4
International Fixed Income		<u>4,974.3</u>	<u>5,045.8</u>	<u>71.5</u>
Total		\$8,221.3	\$8,660.3	\$439.0
TOTAL SALES:		\$17,778.2	\$18,748.7	\$970.5

Portfolio Summary and Transactions

CURRENCY HEDGE PORTFOLIO SUMMARY

(\$ Millions)

March 2007

<u>PENDING FX CONTRACTS</u>	<u>COST</u>	<u>MARKET VALUE</u>
Total FX Purchased	\$7,631.4	\$7,673.0
Total FX Sold	\$12,432.4	\$12,640.3

CURRENCY OPTIONS

Currency Puts	(\$153,793,121.1)	(\$153,793,121.1)
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"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

(\$ Millions)

March 2007

<u>PURCHASES</u>	<u>COST</u>
Pending FX Contracts	\$3,404.4

<u>SALES</u>	<u>PROCEEDS</u>
Pending FX Contracts	\$3,676.5

Affiliate Funds Reports

Staff has compiled the following investment transaction and portfolio summary reports prepared by the Custodian for the Affiliate Funds for the month ending April 30, 2007.

Affiliate Funds Allocation and Transaction Reports: [\(full reporting is available in the supplemental reporting document\)](#)

Legislators' Retirement Fund:

<u>Asset Class</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$7,375.79	0.01%	\$7,375.79	0.01%
DOMESTIC EQUITY	\$35,114,229.14	27.45%	\$44,456,049.54	30.91%
FIXED INCOME	\$66,777,127.48	52.21%	\$70,713,029.46	49.17%
INTERNATIONAL EQUITY	\$11,976,534.26	9.36%	\$14,323,996.02	9.96%
TIPS	\$14,035,396.91	10.97%	\$14,307,917.93	9.95%
TOTAL	<u>\$127,910,663.58</u>		<u>\$143,808,368.74</u>	

Judges' Retirement Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$3,218,160.59	100.00%	\$3,218,160.59	100.00%
TOTAL	<u>\$3,218,160.59</u>		<u>\$3,218,160.59</u>	

Affiliate Funds Reports

Judges II Retirement Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$9,978.24	0.00%	\$9,978.24	0.00%
DOMESTIC EQUITY	\$88,307,007.93	40.24%	\$112,943,147.94	43.96%
FIXED INCOME	\$77,595,430.15	35.36%	\$81,529,113.30	31.74%
INTERNATIONAL EQUITY	\$43,917,413.58	20.01%	\$52,565,028.51	20.46%
TIPS	\$9,618,413.54	4.38%	\$9,850,711.40	3.83%
TOTAL	<u>\$219,448,243.44</u>		<u>\$256,897,979.39</u>	

Public Employees' Medical & Hospital Care Act Contingency Reserve Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$5,703,779.01	100.00%	\$5,703,779.01	100.00%
TOTAL	<u>\$5,703,779.01</u>		<u>\$5,703,779.01</u>	

Volunteer Firefighters Length of Service Award Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$5,411.04	0.18%	\$5,411.04	0.15%
DOMESTIC EQUITY	\$2,515,811.62	83.50%	\$2,819,216.79	79.28%
INTERNATIONAL EQUITY	\$491,802.58	16.32%	\$731,319.46	20.57%
TOTAL	<u>\$3,013,025.24</u>		<u>\$3,555,947.29</u>	

Affiliate Funds Reports

Supplemental Contribution Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$559,872.00	2.89%	\$559,872.00	2.43%
DOMESTIC EQUITY	\$9,397,316.26	48.52%	\$11,968,387.07	51.93%
FIXED INCOME	\$5,264,613.00	27.18%	\$5,632,502.93	24.44%
INTERNATIONAL EQUITY	\$3,678,403.68	18.99%	\$4,407,624.60	19.13%
TIPS	\$468,046.79	2.42%	\$477,933.56	2.07%
TOTAL	<u>\$19,368,251.73</u>		<u>\$23,046,320.16</u>	

Long Term Care Fund:

<u>Asset</u>	<u>Book Value</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>
CASH	\$144,347.39	0.01%	\$144,347.39	0.01%
DOMESTIC EQUITY	\$588,124,027.07	31.30%	\$748,791,919.13	34.22%
FIXED INCOME	\$781,058,196.80	41.57%	\$853,001,004.88	38.98%
INTERNATIONAL EQUITY	\$363,890,450.12	19.37%	\$436,298,316.19	19.94%
TIPS	\$145,473,475.08	7.74%	\$149,992,801.98	6.85%
TOTAL	<u>\$1,878,690,496.46</u>		<u>\$2,188,228,389.57</u>	